

# **City of Long Beach Budget Oversight Committee**

## **Report and Recommendations FY 05 Proposed Budget August 24, 2004**

**6<sup>th</sup> District Councilwoman Laura Richardson, Chair  
Vice-Mayor and 5<sup>th</sup> District Councilwoman Jackie Kell, Member  
7<sup>th</sup> District Councilmember Tonia Reyes Uranga, Member**



# Introduction

- Budget Oversight Committee (BOC) is pleased to present the following recommendations on the FY 05 Proposed Budget
- Success for fiscal solvency must include:
  - ✓ Continual review of potential areas for cost reduction
  - ✓ Review of possible accelerations of identified projected savings
  - ✓ Consideration of revenue generating ideas
  - ✓ Evaluation of resident, employee and innovation team suggestions
  - ✓ Steadfast commitment to withhold new programs/services without new ongoing revenues to bear the expense



# Executive Summary

- Three-Year Plan critical to City's success
- Plan is working to reduce structural deficit
  - ✓ Estimated at \$102 from FY 04 to FY 06
- BOC has held 12 public meetings
  - ✓ Reviewed enormous detail
  - ✓ Transparent review process
- Primary Budget Oversight Committee objective is to make recommendations that:
  - ✓ Enable a balanced budget
  - ✓ Protect core services
  - ✓ Reduce the deficit in-line with community priorities
  - ✓ Reflect City Council concerns, goals and objectives



# City Council Priorities

- Further reduce crime, particularly violent crime
- Enhance neighborhood economic development efforts, particularly on the commercial corridors
- Improve environmental conditions in the City of Long Beach
- Improve the quality of life in the neighborhoods
- Expand the community's involvement in the workings of Long Beach government
- Promote workforce and business development efforts so as to create new jobs; ensure Long Beach becomes more business friendly
- Support programs which encourage the public's health and well being
- Promote quality housing development; improve home ownership opportunities for Long Beach residents
- Improve the transportation system to efficiently and effectively move goods and people through the city without negatively impacting the neighborhoods
- Adopt an annual budget that is structurally balanced



# City Council Financial Policies

- 1) Structurally Balanced Budget
- 2) Report on How the Budget is Balanced
- 3) General Fund Reserves
- 4) Use of One-Time Resources
- 5) Use of New Discretionary Revenue
- 6) Accounting and Financial Reporting
- 7) User Fees and Charges
- 8) Grants
- 9) Long-Term Financial Plan
- 10) Debt Issuance



# Proposed Budget Adjustments

- BOC recommends the restoration of the following programs
  - ✓ Proposed reductions to youth library programming (\$168,000)
  - ✓ Proposed day camps reductions (\$143,000)
  - ✓ Proposed transfer of extended day program to non-profits (\$88,000)
  - ✓ Proposed reduction in tree trimming cycles (\$200,000)
- Recommended restorations total \$599,000
  - ✓ \$599,000 out of a total \$1.8 billion FY 05 budget



# Proposed Budget Adjustments

- BOC supports the other proposed reductions with the following caveats:
  - ✓ Crossing guard optimization does not include contracting-out at this time
  - ✓ Any Fire Services Study recommendations that include potential closure of a fire station will warrant further City Council and community discussion
  - ✓ City Manager should explore public-private partnerships to help support reductions to the Library
  - ✓ City Manager should explore a best-seller book donation program



# Proposed Offsets and Alternatives

- Every adjustment requires an alternative solution
- Increase certain fees to be comparable with other jurisdictions (\$400,000 or more)
  - ✓ Increase Police Alarm Permit Fees
  - ✓ Accelerate code enforcement revenue where possible
  - ✓ Direct City Manager to evaluate parking revenue increases citywide
- Optimize gang prevention function (\$100,000)
- Other areas for consideration (savings TBD)
  - ✓ Review of Public Affairs/Information Officers
  - ✓ Review of cost recovery for violations of California Code





# Proposed Policy Recommendations

- Enhance role of the City Council in Contracting-Out process
  - ✓ Identification of potential opportunities
  - ✓ Verification of City costs
- Focus greater attention on contracting-in and revenue generation
- Create an Infrastructure and Maintenance Reserve Account
  - ✓ Addresses 10-year \$300 million infrastructure investment needs
  - ✓ Allocation of no less than 3 to 5 percent of unexpected one-time revenues



# Review of New Revenue Options

- Comprehensive stakeholder involvement when discussing new revenue opportunities
  - ✓ BOC to convene a working group to review and discuss options
- Possible items for discussion include
  - ✓ Fire Assessment District
  - ✓ Parking Lot Tax
  - ✓ Library Special Tax or Assessment
- Potential revenues that would not affect the majority of Long Beach residents
  - ✓ Transient Occupancy Tax (TOT) increase to 15 percent
  - ✓ Oil Production Tax to \$0.30 cents per barrel



# Recommendations for Future Consideration

- Continue further discussions of resident, employee and Innovation Team recommendations
- Review outstanding Redevelopment Agency loan repayments of \$97 million
- Consider acceleration (if possible) of Fleet reductions planned for FY 06 into FY 05
- Formulate policy and begin lobbying on the State and Federal levels for transportation policy amendments that could include:
  - ✓ Urban local streets
  - ✓ School bus traveled routes
  - ✓ Other initiatives



# Recommended Actions

- Approve and Support the City Manager's FY 05 Proposed Budget with the following recommended adjustments
  - ✓ Creation of a rolling Three-Year Plan
  - ✓ Recommend the creation of an Infrastructure and Maintenance Reserve Account
  - ✓ Recommend an enhanced role of the City Council in the Contracting-Out Evaluation Process
  - ✓ Recommend staff focus on areas identified as potential resources to offset budget reinstatements